

CHAPTER 3:

**PROCUREMENT
STANDARDS**

Chapter 3: Overview

CDBG standards & federal requirements for procurement of:

- ✓ Engineering;
- ✓ Architectural;
- ✓ grant administration; and
- ✓ other professional services.



Prior to execution, CDBG must review and approve:

- ✓ Request for Proposals (RFP) process; and
- ✓ Contracts

Engineering, Architectural, or Surveying Services

- ✓ Over \$20,000? Procure by a Request for Qualifications (RFQ) process.
- ✓ Notices should be published 2X: 6 days apart.
- ✓ Suggestion: First ad no more than 12 days prior-- and last ad no less than 5 days prior -- to deadline.
- ✓ Local and regional advertising is recommended.

Remember your DBEs!

- Disadvantaged Business Enterprises – CDBG asks you to take affirmative steps to utilize DBEs.

- MDT: (406) 444-6337

- DBE website at MDT:

<http://www.mdt.mt.gov/business/contracting/civil/dbe.shtml>

See Chapter 3



Procurement Procedures

Full and Open Competition:

- ✓ Be fair: don't restrict competition.

Geographic Preference Issues:

- ✓ Be open to all proposals.
- ✓ No MT preference allowed with Federal \$\$.
- ✓ Language such as “knowledge of community” in your RFP could be too restrictive.

Procurement Procedures

Written Evaluation and Selection Procedures:

- ✓ Incorporate a clear and accurate description
 - ✓ The description should not contain features that unduly restrict competition.
 - ✓ Detailed product specifications should be avoided if at all possible.
- ✓ Be clear. Identify all requirements

Methods of Procurement

1. Bids (Competitive Sealed Bids Method)

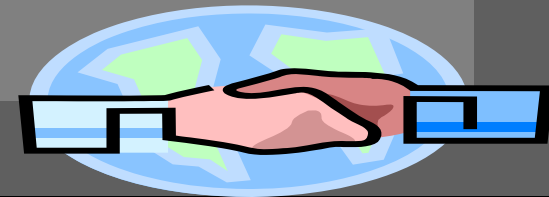
- standard procurement for construction activities
- Chapter (Construction Management)

2. Sole Source

- Check with CDBG

3. Small Purchase Procedures:

- Can be used where the procurement will not cost more than \$100,000, and
- Where the procurement is relatively simple and a selection decision can be made based on 3 to 5 rate and work plan quotes.



Methods of Procurement

4. Competitive Proposals - - Request for Proposals (RFP) & Request for Qualifications (RFQ)

Procurement of Grant Management Services

- Required for any services over \$100,000
- Recommended for procurement actions under \$100,000 that are complex and/or where qualifications and desired work products cannot be easily handled by phone rate quotes.

Procurement of Architectural, Engineering, or Surveying services

- This process requires a competitive solicitation and negotiation process for which the fees are estimated to exceed \$20,000.

Procurement by Competitive Proposals: RFP/ RFQ Procedures

Preparing an RFP/RFQ

- Name of local government issuing the RFP/RFQ
- Description of the project
- Description of the scope of services to be provided by the consultant
- Amount budgeted for the proposed scope of services
- Method of payment to be used
- Time frame for performing the work



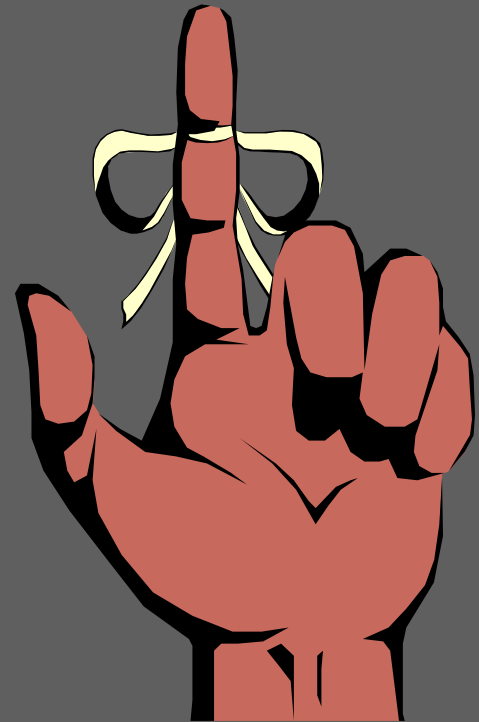
RFP Procedures (cont.)

- Information required of each respondent in order to make the selection
- Methods and criteria to evaluate the proposals, and the weight of each
- Name and telephone number of a local contact
- Directions for submitting a response to the RFP.



Note:

The entire
project scope
should be included
in the RFP.



Soliciting Proposals

CDBG grant recipients should be able to document:

- An adequate number of qualified sources
- that full and open competition took place

CDBG/MDOC recommends that you allow at least 3 weeks for responses to your RFP.



Prior Commitments to Consultants

(or Long-term Relationships)

Must still go through the RFP process unless:

- you can clearly document that the original RFP process met all state procurement requirements; and
- the original RFP was sufficiently detailed to describe the services which CDBG funds will now be used to purchase.

Prior Commitments to Consultants

(or Long-term Relationships)

Formation of long-term partnerships/relationships

- 1) The partnership is based upon a current legal relationship (signed contract in effect),
- 2) The partner is managing the grant funds,
- 3) The local government does not have the staffing capability to manage the grant, AND
- 4) The relationship will continue indefinitely following project closeout.

ALSO

The partnership agreement must be in place before submission of the grant application to MDOC.

Reviewing Proposals

- Committee (3-5 people) reviews proposals for:
 - qualifications
 - capability to meet time and budget requirements
 - location
 - workload (present & projected)
 - experience
 - past work for the local gov't
- Check references!
- Contact CDBG for a debarment check.
- Select consultant.



MDOC/CDBG Review of Procurement Procedures

➤ Before you enter into a contract, send the CDBG:



- a copy of the advertisement used to publicize the RFP;
- a copy of the RFP; and
- A summary of the procedures used to select the consultant.

Contract Pricing

- Cost reimbursable contracts with a specified ceiling are required for contracts for professional services.
- Include an hourly rate for all personnel, complete scope of service and a ceiling for charges.



Preparing Your Contract

- The draft contract must be submitted to CDBG for review prior to execution -- to make sure that all required clauses are included.
- Exhibit 3-F and 3-G



Record-Keeping Requirements

CDBG grant recipients must document:

- their reasons for choosing the method of procurement;
- the basis for selection or rejection of consultants;
- consultant qualifications;
- contract specifications; and
- scope of work.



Contract Administration and Supervision

CDBG grant recipients should:

- establish and maintain procedures to monitor contract performance.
- review all payment requests carefully before approving.
- require narrative progress reports with each billing.



Case Study

CDBG Procurement

The State of Anywhere's Department of Community Development (DCD) is responsible for working with local communities to determine if State CDBG grantees are in compliance with their grant agreements and if program requirements are being met. The City of Bristol received funding from the State's CDBG program for the construction of new sidewalks and street lights in a low income neighborhood. The City of Bristol's Office of Community Development (OCD) staff needed to contract with an outside firm to carry out the project, budgeted at approximately \$60,000.

- 1). What type of Procurement process is allowed for this project?
- 2) What steps are required for this type of procurement process?